

Message Text

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INFO OCT-01 EA-10 ISO-00 FEA-01 AGR-10 CEA-01 CIAE-00

COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-02 LAB-04

NSAE-00 NSC-05 PA-02 RSC-01 AID-05 CIEP-02 SS-15

STR-04 TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01

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APPROVED BY EB/IFD/OMA:RJRYAN

COMMERCE:EPARRISH

COMMERCE:AMIAKAWA (SUBS)

TREASURY:WLEDERER

TREASURY:RFAUVER

EA/J:DBROWN

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FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

UNCLAS STATE 014808

E.O. 11652: N/A

TAGS: ETRD, EFIN

SUBJECT: U.S.-JAPAN BILATERAL TRADE STATISTICS

REF: (A) STATE 252069; (B) TOKYO 14966

1. DEPT. APPRECIATES EMBASSY POINTING OUT IN REF B THAT
FIGURE WE CITED IN REF A FOR U.S.-JAPAN BILATERAL TRADE
DEFICIT IN FIRST HALF 1974 DOES NOT MATCH EMBASSY'S OWN
COMPILATION OF THIS DEFICIT.

2. IT SHOULD BE NOTED THAT EMBASSY DATA FOR
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BILATERAL TRADE DEFICIT USED CENSUS BUREAU STATISTICS

(SEASONALLY UNADJUSTED) PUBLISHED IN COMMERCE DEPT'S FT 990 SERIES, WHEREAS IN REF B DEPT. REFERRED TO TRADE STATISTICS (SEASONALLY ADJUSTED) ON BALANCE-OF-PAYMENTS BASIS PUBLISHED IN COMMERCE DEPT'S SURVEY OF CURRENT BUSINESS. STATISTICS ON BALANCE OF PAYMENTS BASIS INCLUDE VARIOUS ADJUSTMENTS TO CENSUS BUREAU DATA WITH RESPECT TO TIMING, COVERAGE AND VALUATION. THEY ARE ALSO AVAILABLE ONLY ON QUARTERLY BASIS, WHEREAS CENSUS BUREAU DATA ARE PUBLISHED MONTHLY. SEASONAL ADJUSTMENT FACTORS DIFFER FOR THE TWO SERIES BECAUSE OF DIFFERENT TIME PERIODS USED (I.E., MONTHS VS. QUARTERS).

3. FOLLOWING TABLE COMPARES U.S. TRADE DEFICIT WITH JAPAN ON TWO DIFFERENT BASES FOR FOUR QUARTERS COVERING SECOND HALF OF 1973 AND FIRST HALF 1974. FIGURES ARE IN MILLIONS OF DOLLARS AND ARE ALL NEGATIVE UNLESS OTHERWISE INDICATED. DATA ARE SHOWN BOTH WITH AND WITHOUT SEASONAL ADJUSTMENT IN ORDER TO SHOW SIGNIFICANCE OF SEASONALITY.

4. U.S. TRADE DEFICIT WITH JAPAN (\$ MILLIONS)

III 73 IV 73 III IV I 74 II 74 I II

CENSUS BASIS

S. UNADJUSTED	447	125	572	292	377	85
S. ADJUSTED	191	206	379	40	317	277
DIFFERENCE	256	81	175	252	60	192

B/P BASIS

S. UNADJUSTED	433	79	512	212	344	132
S. ADJUSTED	215	81	296	70	347	417
DIFFERENCE	218	2	216	282	3	285

5. TABLE ILLUSTRATES DIFFERENCE USING LATEST INFORMATION BETWEEN STATISTICS ON CENSUS BUREAU BASIS AND ON BALANCE OF PAYMENTS BASIS. IT ALSO SHOWS THAT IMPACT OF SEASONAL FACTOR ON EITHER BASIS CAN BE SIGNIFICANT (CONTRARY TO IMPLICATION PERHAPS IN LAST PARA, REF B). FOR EXAMPLE, IN FIRST QUARTER 1974, U.S. HAD TRADE SURPLUS ON BALANCE OF PAYMENTS BASIS WITH JAPAN OF \$212 MILLION ON SEASONALLY UNADJUSTED BASIS. AFTER SEASONAL ADJUSTMENT, U.S. HAD A BILATERAL TRADE DEFICIT WITH JAPAN OF \$70 MILLION. UNCLASSIFIED

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LION, A NET DIFFERENCE OF \$282 MILLION.

6. NOTE: THE \$70 MILLION TRADE DEFICIT FOR FIRST QUARTER 1974 IS A CORRECTION OF THE FIGURE OF \$276 MILLION WHICH WAS PUBLISHED IN THE SEPTEMBER ISSUE OF SURVEY OF CURRENT BUSINESS. THIS WILL BE CORRECTED IN MARCH ISSUE. THIS CORRECTION MAKES U.S. TRADE DEFICIT WITH JAPAN, SEASONALLY ADJUSTED, ON BALANCE OF PAYMENTS BASIS, DURING FIRST HALF

1974 EQUAL TO \$417 MILLION INSTEAD OF \$623 MILLION CITED
IN REF A. SEARCH FOR THIS ERROR IN SEASONAL ADJUSTMENT
WAS STIMULATED BY REF B. KISSINGER

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Disposition History: n/a
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